



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Ed Shikada

**SUBJECT: HP PAVILION AT SAN JOSE  
CAPITAL BUDGET  
RECOMMENDATIONS**

**DATE:** May 6, 2008

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Approved

/s/

Date 05/08/2008

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## **RECOMMENDATION**

It is recommended that the City Council approve the attached HP Pavilion Capital Repairs and Replacement Budget for 2008-2009 as submitted by the San José Arena Authority Board of Directors.

## **BACKGROUND**

In accordance with the agreement between the City of San José and the San José Arena Management (Silicon Valley Sports and Entertainment), the Capital Repairs and Replacement budget for 2008-2009 is presented to the City Council for approval. This budget is supported by the existing Arena Capital Reserve Fund that was established for this purpose. Over the last several years, both the City and Silicon Valley Sports and Entertainment (SVSE) have made contributions to the Arena Capital Reserve Fund per the agreement.

## **ANALYSIS**

The San José Arena Authority Board of Directors reviewed and recommends that City Council approve the annual capital budget for 2008-2009. Lists of the individual capital improvements recommended are attached for your reference. For 2008-2009, the normal capital repairs and replacements budget totals \$1,037,000.

The Arena Capital Reserve Fund has sufficient funding to support the normal capital repairs and replacements proposed for 2008-2009. After these costs are taken into consideration and with conservative revenue and expenditure projections, the remaining balance in this fund at the end of 2008-2009 is projected at \$800,000.

## **COORDINATION**

Staff from the San José Arena Authority, SVSE, and the City have coordinated to present this budget as part of the City's annual budget process.

/s/

Ed Shikada  
Deputy City Manager

Attachment

**HP PAVILION AT SAN JOSE**  
**Capital Budget Recommendations for 2008-2009**

<b>Normal Capital Repair/Replacement</b>	<b>2008-2009 Budgeted Amount</b>
Replace terazzo burnisher and HD carpet machine	9,000
Replace original rider sweeper	62,000
Replace original dasherboard skirting	30,000
Replace fall protection equipment and make required code changes to system	65,000
Replace food service equipment in concession stands 107/109	100,000
Replace folding chairs	35,000
Replace four ice machines	15,000
Replace vines, grasses and soil in linear planters	40,000
Replace macro lighting control systems	108,000
Repair brine chiller #1 compressor	60,000
Replace building automation system used to control mechanical systems	60,000
Replace three variable speed drives on air handlers (HVAC)	18,000
Replace transformer in TV truck bay	15,000
Replace retractable seating on main stage end	400,000
Unanticipated Repairs	20,000
<b>Total Normal Capital Repairs and Replacements</b>	<b>1,037,000</b>
<b>Total 2008-2009 Proposed Capital Budget</b>	<b>1,037,000</b>